

C/007/091 Incoming

OK



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, UT 84145-0155

<http://www.blm.gov>



RECEIVED

JUL 22 2010

DIV. OF OIL, GAS & MINING

In Reply Please Refer To:

3482

SL-068754

UTU-78562

(UT-070)

JUL 21 2010

Certified Mail--Return Receipt Requested
Certificate No. 7009 1410 0001 9070 8120

Mr. David W. Hibbs
President
West Ridge Resources, Inc.
P. O. Box 910
East Carbon, Utah 84520

Re: Minor Modification, Resource Recovery and Protection Plan (R2P2), Longwall Panel Block 18 through 20, West Ridge Mine

Dear Mr. Hibbs:

The Bureau of Land Management (BLM) has received from West Ridge Resources, Inc. (West Ridge), proposed revisions to the subject R2P2. The modification seeks approval of three longwall panels where the final authorization to mine would rely on the results of monitoring the mining of a previous longwall panel and its affects to the Grassy Trails Reservoir. The area of the mine affected by this proposal is on Federal coal lease UTU-78562 and this mine plan is contingent on mining on adjacent private coal lands.

Proposed Plan: West Ridge proposes to mine three longwall panels, numbers 18, 19 and 20, located between the Main Entries and the Grassy Trails Reservoir. These panels would be mined after the current block of panels on the northwest of the Main Entries is completed. Development for these proposed panels is planned to begin the last part of this year. The R2P2 for this area originally planned for longwall panels at this location. Due to the lease stipulation in UTU-78562, which requires protection of the Grassy Trails Reservoir from effects by underground mining, the currently approved R2P2 did not authorize mining these three panels pending the results and analysis of the data gathered from mining panel number 7, south of the reservoir.

The BLM has received all the monitoring data and the detailed report from the consultants. We have reviewed the information and have received in this modification, West Ridge's justification to mine these three longwall panels. We agree with the conclusion that mining longwall panels 18 through 20 as submitted should have no adverse effects on the dam structure or reservoir. The dam structure has seen no detectable affects from the mining of panel number 7. The proposed

panels are further distant from the reservoir and much further from the Grassy Trails Reservoir dam. Also, the new panel-barrier-panel design has reduced dramatically the amount and intensity of any mining induced seismicity or subsidence. Additionally, this mining plan will comply with the lease stipulation to not subside perennial streams, unless authorized, as the Left Fork Whitmore Canyon Stream will be under a barrier pillar and no full extraction mining is planned under the stream.

Approval: The R2P2 modification is hereby approved as submitted for longwall panels 18, 19, and 20 on the Federal coal lease UTU-78562. As the bleeder entries and the back ends of panels 19 and 20 are located on private coal lands, our approval is for the Federal coal lease and other authorizations are needed for the complete plan.

Maximum Economic Recovery (MER): The proposed plan to mine these three longwall panels will achieve MER for the Federal coal lease UTU-78562.

Recoverable Reserve Base: The recoverable reserves for the proposed three longwall block area was included in the provided and BLM reviewed August 25, 2009 reserve update for the West Ridge Mine. The recoverable reserve base for lease UTU-78562 is 12,540,390 tons (6,740,390 tons produced up to July 31, 2009 plus 5,800,000 estimated recoverable tons remaining from the August 25, 2009 update). Likewise, the recoverable reserve base for lease SL-068754 is 17,287,365 tons (12,327,365 tons produced up to July 31, 2009 plus 5,500,000 projected recoverable tons remaining from the August 25, 2009 update). If you have questions or different information on the recoverable reserve base, please contact us.

National Environmental Policy Act (NEPA): No new surface disturbance is predicted with this plan change, and therefore this action is Categorical Excluded from NEPA analysis as explained in the Department Manual (45 DM Part 516 11.5 (F)(8)): Approval of minor modifications to , or minor variances from, activities described in an approved underground or surface mine plan for leasable minerals (e.g., change in mining sequence or timing).

The BLM has determined that this modification complies with the Mineral Leasing Act of 1920, as amended, the regulations at 43 CFR 3480, and the lease terms and conditions. The modification to the R2P2 is approved as depicted on the enclosed mine map with the exception of the mining depicted up dip near the coal outcrop and mine portals. This area, as shown on the approved map, is still pending the addition of a lease modification application. If you have any questions, please contact Stephen Falk in the Price Field Office at (435)636-3605 or Jeff McKenzie of my staff at (801)539-4038.

Sincerely,

/s/ Roger L. Bankert

Roger Bankert
Chief, Minerals Branch

Enclosure
Approved Mine Map

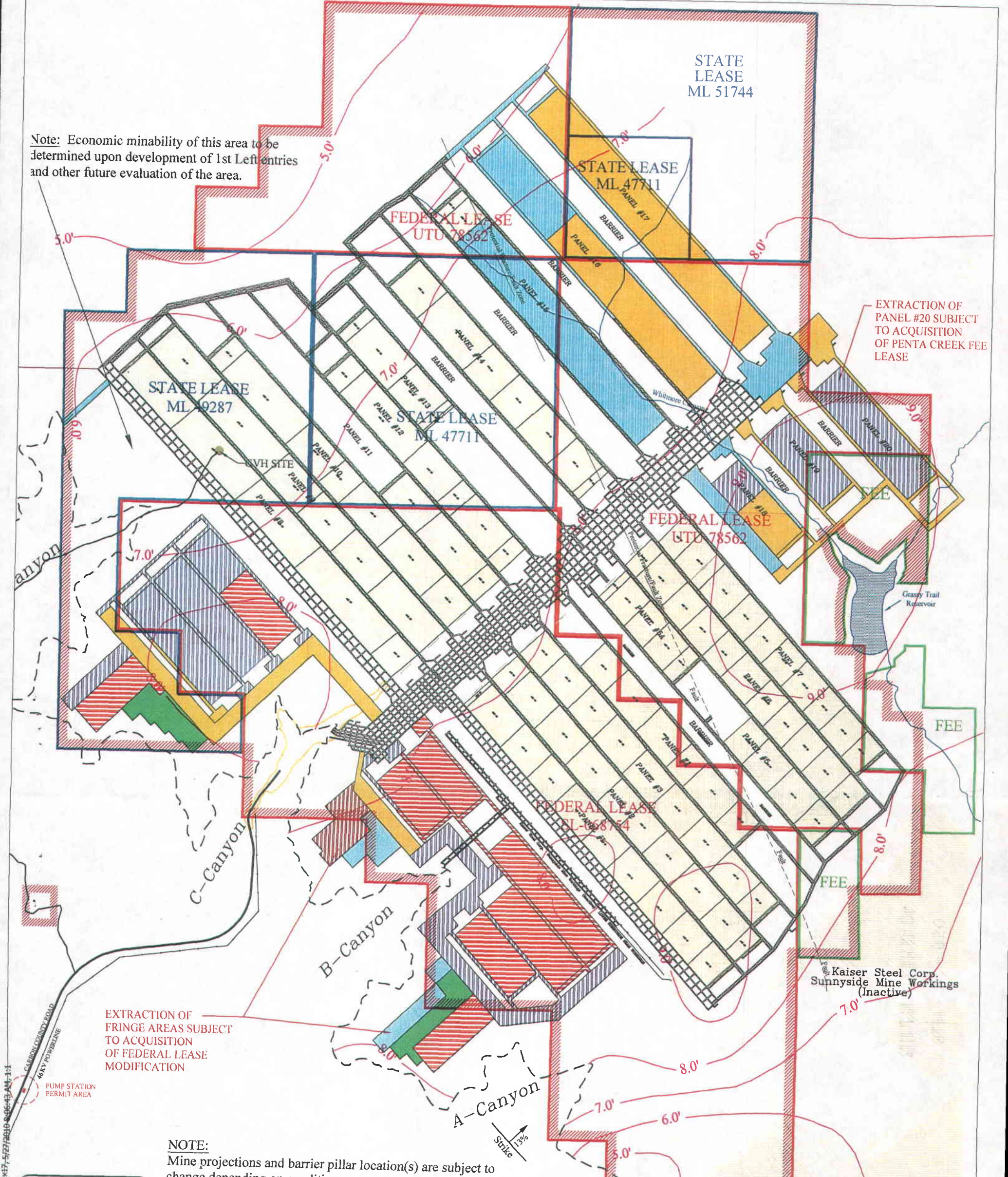
cc: UT0070, Price Field Office (w/ encl.)

Daron Haddock, Coal Program Manager
Utah Division of Oil Gas and Mining (w/encl.)
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

John Blake, Mineral Resource Specialist
State of Utah (w/encl.)
School and Institutional Trust land Administration
675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818

2010.07.20.R2P2westridgeJM-SA-7-20-10

Note: Economic minability of this area to be determined upon development of 1st Left entries and other future evaluation of the area.



EXTRACTION OF FRINGE AREAS SUBJECT TO ACQUISITION OF FEDERAL LEASE MODIFICATION

NOTE:

Mine projections and barrier pillar location(s) are subject to change depending on conditions encountered in the underground mine workings.
Actual mine works are shown as of January 1, 2010.
Mine projections depicted in the fringe areas beyond the existing permit area are speculative and based on future reserve acquisitions. No mining will be conducted in these areas unless those reserves are acquired in the future and permitted according to federal, state, and local permitting requirements.
West Ridge Resources acknowledges that permission to mine within the permit boundary does not imply permission to mine beyond the permit boundary.

- 2010
- 2011
- 2012
- 2013
- 2014
- 2015
- 2016

Mined Area

LEGEND:

- Permit Boundary
- Federal Lease
- State Lease (ML 49287)
- Penta Creek Fee
- Surface Facility Area
- GVH Site
- Outcrop

I CERTIFY THIS MAP TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE



MINING PLAN APPROVED BY BUREAU OF LAND MANAGEMENT
Recommended By: *[Signature]* 7/21/10 (Date)
Mining Engineer

Approved By: *[Signature]* 7/21/10 (Date)
Manager



WEST RIDGE RESOURCES, INC.

SCALE: 1"=2000'

WEST RIDGE MINE R2P2 MODIFICATION

Mining Projections (Extended Reserves)